

# **State of Alaska FY2010 Governor's Operating Budget**

## **Department of Natural Resources Petroleum Systems Integrity Office Component Budget Summary**

## Component: Petroleum Systems Integrity Office

### Contribution to Department's Mission

The Petroleum Systems Integrity Office (PSIO) contributes to the department's local and statewide mission by improving the development and conservation of resources through coordination of oil and gas oversight activities among all local, state and federal agencies with oil- and gas-related authority and responsibility, and by requiring quality management programs of oil and gas operators, to maximize implementation of prudent systems integrity practices.

### Core Services

- Review the quality management programs of unit/lease operators relative to oil and gas systems integrity; prioritize areas of risk for corrective attention, identify gaps or weaknesses in the state programs for corrective action, and assign or exercise oversight of compliance.
- Coordinate oversight activities between state and federal agencies with oil and gas related responsibility, including coordination of investigations of incidents and public/employee concerns.
- Ensure no regulatory gaps or duplicative efforts occur in the regulation and oversight of oil and gas related infrastructure and activity among state, local and federal agencies.
- Require and monitor programs to maximize long-range system integrity, and maintain a proactive compliance program.

### FY2010 Resources Allocated to Achieve Results

**FY2010 Component Budget: \$1,379,500**

**Personnel:**

Full time	8
Part time	0
<b>Total</b>	<b>8</b>

### Key Component Challenges

Key component challenges include: (1) establishment and implementation of a Quality Management Program that evaluates the sufficiency and implementation of operator programs, and (2) development of an efficient investigatory arm to address public and other concerns raised.

### Significant Changes in Results to be Delivered in FY2010

Administrative Order 234 created this component. In addition to tasks identified in the Administrative Order the immediate and ongoing need for an investigatory arm is clear.

Tasks to be accomplished during FY10 include:

1. Hire quality assurance and investigations staff.
2. Establish the umbrella quality assurance program.
3. Establish the operator's quality assurance program for the Prudhoe Bay Unit.
4. Establish an investigatory arm, including: capacity for receipt of issues or complaints, thorough investigation, interagency coordination, and development of final report/conclusions.
5. Clarify the role and program priorities for liaison officers in designated agencies; determine if additional funding is required for adequate support.

## Major Component Accomplishments in 2008

Tasks accomplished during FY2008 include:

1. Hired Quality Specialist and Engineering lead positions.
2. Initiated a Quality Management Program.
3. Established an investigatory arm, including: capacity for receipt of issues or complaints, through investigation, interagency coordination, and development of final report/conclusions.
4. Clarify roles and program priorities for Liaison Officers in designated agencies.
5. Continued a cooperative agreement with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, relative to information sharing and comprehensive system integrity efforts.
6. Established procedures for coordinated notification of events among interested state and federal agencies.

## Statutory and Regulatory Authority

AS 38.05.020  
AS 38.05.180 (a) (1) (A)  
AS 38.05.180 (a) (2) (A) (ii)  
AS 38.05.850  
AS 44.37.020 (a)

Additional Authorities: Agreements with companies including standard oil and gas leases, unit plans of development, and plans of operations.

Contact Information
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**Petroleum Systems Integrity Office  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2008 Actuals</b>	<b>FY2009 Management Plan</b>	<b>FY2010 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	499.0	967.2	977.2
72000 Travel	12.2	139.2	100.0
73000 Services	67.0	174.1	287.8
74000 Commodities	2.2	57.5	13.5
75000 Capital Outlay	0.0	31.5	1.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>580.4</b>	<b>1,369.5</b>	<b>1,379.5</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	580.4	1,369.5	1,379.5
<b>Funding Totals</b>	<b>580.4</b>	<b>1,369.5</b>	<b>1,379.5</b>

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>1,369.5</b>	<b>0.0</b>	<b>0.0</b>	<b>1,369.5</b>
<b>Adjustments which will continue current level of service:</b>				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	10.0	0.0	0.0	10.0
<b>FY2010 Governor</b>	<b>1,379.5</b>	<b>0.0</b>	<b>0.0</b>	<b>1,379.5</b>

**Petroleum Systems Integrity Office  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	8	8	Annual Salaries	659,289
Part-time	0	0	COLA	25,962
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	315,028
			<i>Less 2.31% Vacancy Factor</i>	(23,079)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>8</b>	<b>8</b>	<b>Total Personal Services</b>	<b>977,200</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Engineering Assistant II	1	0	0	0	1
Natural Resource Spec II	1	0	0	0	1
Natural Resource Spec III	1	0	0	0	1
Natural Resource Spec IV	1	0	0	0	1
Petroleum Facil Integ/Comp Mgr	1	0	0	0	1
Petroleum Facil Integrity Eng	1	0	0	0	1
Petroleum Facil Integrity Spec	1	0	0	0	1
Tech Eng I / Architect I	1	0	0	0	1
<b>Totals</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>